New Nouveau Brunswick CANADA

News Release

Communications New Brunswick

Local Government

Electricity generation authority to be provided to municipalities and rural communities (08/05/15)

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FREDERICTON (CNB) - Local Government Minister Carmel Robichaud introduced amendments to the *Municipalities Act* in the legislature today to allow municipalities and rural communities to be generators of electricity, as defined in the *Electricity Act*.

"Some municipalities in the province have been expressing interest in generating electricity, whether it be for small localized needs or to be offered for sale to NB Power," Robichaud said. "Projects that potentially could be undertaken by municipalities and rural communities for the generation of electricity include wind power, co-generation, solar-powered electricity and bio-gas."

These amendments will allow municipalities and rural communities to construct, own and operate a generation facility, and to use the electricity for their own purposes or sell it within defined parameters.

Energy Minister Jack Keir applauded the initiative. "Community engagement is key to our province's growth and key to growing our energy hub," he said. "The change to the *Municipalities Act* is a step in the right direction. Among other things, it will allow for our communities to be directly involved in the development and ownership of community wind projects, which is very positive news."

In June 2007, the Province launched its *Climate Change Action Plan*, which details actions to be taken to reduce greenhouse gas emissions in New Brunswick. The plan contains a commitment to "amend the *Municipalities Act* to remove barriers to municipal green energy generation."

This bill seeks to address municipal interest in electricity generation, and to implement the climate change commitment with respect to municipal electricity generation, as part of government's commitment to support New Brunswick as an energy leader.

"In the face of the challenges posed by climate change, all New Brunswickers have a role to play in achieving the objectives of our government's action plan," Environment Minister Roland Haché said. "These amendments to the *Municipalities Act* will offer communities a new opportunity to work in partnership with government on meeting climate change objectives and be part of the solution to our environmental challenges. As year two of our plan's implementation gets underway, I'm confident that our efforts to further reduce greenhouse gas emissions will be strongly reinforced by the removal of barriers to green municipal actions."

The amendments also give municipalities and rural communities the ability to acquire land to carry out this activity, and enable them to join together or to join others to share the costs and benefits of electricity generation.

"It is very important to remember that this bill is not an obligation for any municipality or rural community to start generating power within their communities," Robichaud said. "It will allow them to be generators of electricity, if they

so choose. These amendments enable our communities to be participants in the energy sector as one means of achieving greater self-sufficiency."

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EDITOR'S NOTE: Background information on permissible activities and financial provisions is attached. MEDIA CONTACT: Daniel Lessard, public affairs, Local Government, 506-444-4693.

Background Information

Under this bill, municipalities and rural communities will now be allowed, as other generators of electricity, to engage in three permissible activities:

• **Large scale generation projects connecting directly to the transmission system** (e.g. a municipality could have a wind farm, or partner with others to have a wind farm, and sell the electricity by private contract to the NB Power Distribution and Customer Service Corporation (Disco), or to a customer in Maine);

• **Embedded generation** - a generator connects its electricity into the local distribution system and sells its electrical output to Disco (e.g. a community could collect the methane gas from a decommissioned landfill, burn it and generate electricity to sell to Disco); and

• **Net metering** - end users of electricity displace some or all of the electricity that they would otherwise purchase from Disco by generating electricity for their own use (e.g. a municipality could use solar panels to heat a pool and participate in net metering with Disco).

All activities of municipalities and rural communities having potential to yield revenue require budgeting, reporting and borrowing provisions to ensure accountability and authority. The bill therefore incorporates various financial provisions, which include:

• The requirement to establish a generation facility fund and to submit a budget for this activity annually to the Minister of Local Government;

• The obligation to provide for a balanced budget; and

• The ability to charge against other operating funds at the discretion of council to ensure a balanced budget.

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